

10th December, 1946.

B.S. 1946/10

NEW SOUTH WALES.

DIGEST OF CURRENT STATISTICS

C O N T E N T S

13 DEC 1946

PART 1 EMPLOYMENT AND NON-RURAL INDUSTRIES

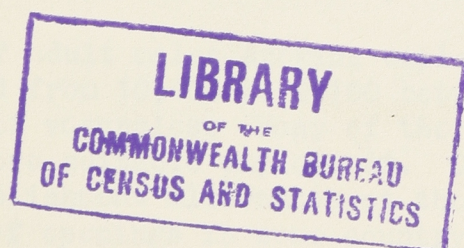
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PART 1 EMPLOYMENT AND NON-RURAL INDUSTRIES.EMPLOYMENTGENERAL.

The number of wage and salary earners in non-rural industries in New South Wales increased from 873,000 in September to 880,000 in October, 1946 making a total increase of about 100,000 since the end of the war to which must be added a not yet recorded increase of about 11,000 men employed in the building industries. The rise in employment has been steady at the rate of about 7,000 a month since May of this year, the gains being mostly in male employment. Only since August has there been a slight increase in female employment.

Discharges of men from the armed forces in New South Wales since the end of the war total about 186,000; of those approximately two thirds stated on discharge their intention to seek employment in non-rural industries. Since July the increase in male employment has exceeded the number of discharges indicating the return of men from pre-employment leave.

Between 15,000 to 25,000 men discharged earlier in the year may still be on pre-employment leave. Army discharges are nearing completion and no further substantial addition to the labour force can be expected from that source.

WAGE AND SALARY EARNERS IN EMPLOYMENT NEW SOUTH WALES (in thousands)					MEN FROM N.S.W. IN ARMED FORCES (approximate)	Unemployment (All causes) Males
At end of	Non Rural		Total	Rural		
	Males	Females		Males		
July 1939	530	168	698	81(x)	6	112
July 1945	534	252	786	40(x)	224	18
April 1946	584	246	830	63(x)	80	(xx)
May	598	248	846	(x)	68	(xx)
June	606	247	853	(x)	57	(xx)
July	612	247	859	(x)	50	(xx)
August	619	247	866	(x)	45	(xx)
September	624	249	873	(x)	41	(xx)
October	629	251	880	(x)	38	(xx)

(x) Number of rural employees are ascertained annually in March.

(xx) Not known. Probably no change since July 1945.

Note: The above figures since July 1945 exclude some of the increase of employment in building. When figures are finally verified the number of males employed in June 1946, shown above as 606,000 will probably be revised to 617,500 with similar adjustments for other months.

COMMONWEALTH EMPLOYMENT SERVICE:

Registrations with the Commonwealth

Employment Service show part of the acute shortage of juvenile male and of all female labour. Against 700 boys and 600 girls registered as seeking employment at the end of October there were 1,800 and 5,400 unfilled vacancies respectively. Vacancies for 9,700 women compare with 1,300 women seeking employment, or change of employment, at the end of October. In spite of an increase of 4,000 in female employment between July and October the number of vacancies registered has declined by only 800 during the same period.

The number of adult males seeking employment, or change of employment, has declined from 10,400 to 9,100 between July and October and is exceeded by the number of vacancies. Many of the men registered are working and want to change to more suitable employment. Only 2,300 were drawing unemployment or re-establishment allowances at the end of October. Lack of suitable jobs and lack of openings in some country centres are the main reason for the large number of unplaced men on the register. The shortage of labour for unskilled and many skilled positions is greater than the registered number of vacancies suggests.

REGISTRATIONS WITH COMMONWEALTH EMPLOYMENT SERVICE, NEW SOUTH WALES
(in thousands)

End of Month	Juvenile				Adult				Unemployment & Re-establish't Benefits	
	Male		Female		Male		Female		Male	Female
	Un-placed	Vaca-ncies	Un-placed	Vaca-ncies	Un-placed	Vaca-ncies	Un-placed	Vaca-ncies		
1946										
July	0.6	1.8	0.8	5.3	10.4	8.7	2.6	10.0	2.4	0.1
August	0.6	1.8	0.6	5.4	10.1	10.0	1.2	10.5	2.5	0.1
September	0.6	1.9	0.6	5.4	9.2	10.1	1.3	10.4	2.7	0.1
October	0.7	1.8	0.6	5.4	9.1	10.8	1.3	9.7	2.3	0.1

EMPLOYMENT IN INDUSTRIES: With the exception of transport all main industrial groups show increased employment in October. Factory employment advanced from 323,000 in September to nearly 326,000 in October making an increase of 25,000 since the end of the war; in addition 25,000 to 30,000 employees have transferred from Government munitions and aircraft establishments to other factories. Total employment in factories is now approximately 50 per cent greater than in July 1939. With more consumer goods becoming available retail stores have enlarged their staffs from 69,000 in July 1945 to 85,000 in October 1946 against about 80,000 at the outbreak of war.

EMPLOYMENT IN MAIN INDUSTRIAL GROUPS, NEW SOUTH WALES
(in thousands)

At end of -	1939	1945	1946	August	September	October
	July	July	July			
Factories	218.0	301.0	318.3	321.3	323.4	325.8
Mining and Quarrying	25.3	24.8	25.5	25.7	26.0	26.1
Transport and Communication	88.9	102.6	111.9	112.4	112.8	112.3
Retail Trade	79.9	69.1	82.7	82.4	83.7	84.8
Other commerce & finance	59.3	56.5	70.8	72.3	73.3	74.0
Professional & personal services	107.6	116.1	131.0	132.0	132.5	135.0
Others	118.9	116.0	119.3	120.3	121.3	121.9
T O T A L	697.9	786.1	859.5	866.4	873.0	879.9

EMPLOYMENT IN FACTORIES: The level of employment in all major secondary industries is now substantially above pre-war level but factories producing bricks, glass and timber do not show a post-war rise commensurate with demand. In the chemical and food groups employment figures have been static during the last few months but clothing factories continue to expand and employment has risen by 22% since the end of the war. Textile factories are showing small gains.

TOTAL EMPLOYMENT IN FACTORY CLASSES, NEW SOUTH WALES.
(in thousands)

At end of -	1939	1945	1946-	July	August	September	October
	July	June	June				
Bricks, cement, glass etc.	12.3	9.9	12.7	13.0	13.2	13.5	13.9
Chemicals, paints, oils etc.	8.0	12.3	14.4	14.4	14.6	14.7	14.6
Metal trades, incl. vehicles	81.3	145.5	136.3	136.3	137.6	137.7	138.2
Textiles	14.7	18.3	19.2	19.5	19.7	19.9	20.2
Clothing	29.1	33.2	38.4	39.1	39.6	40.1	40.5
Food, drink & tobacco	26.4	31.6	34.4	34.4	34.3	34.2	34.4
Sawmills, woodworking, furniture	14.4	16.0	17.9	18.2	18.3	18.6	18.9
Printing, paper etc.	16.4	15.6	19.6	20.0	20.3	20.6	20.7
Other factories, inc. heat, light & power	15.5	19.3	22.9	23.4	23.7	24.1	24.4
Total factories	218.1	301.7	315.8	318.3	321.3	323.4	325.8

EMPLOYMENT OF FEMALES: Total female employment which had been stable around 247,000 between May and August showed small increases in September and October. Some women who gave up jobs and some of the 14,000 discharged servicewomen are apparently now returning into employment. Only in the transport industries has there been some decline in female

employment in recent months and both railways and tramways are seeking to attract more female employees. Female factory employment which had fallen from 86,000 in July 1945 to 77,000 in December 1945 has risen again to nearly 85,000. The total is 25,000 more than at the outbreak of war.

FEMALE WAGE AND SALARY EARNERS IN MAIN INDUSTRIES, NEW SOUTH WALES.

(in thousands)

	Transport & Communication	Retail Trade	Other Commerce and Finance	Profess- -ional & Fact- Personal eries Services		Total (incl. other groups)
1939 July	5.3	32.5	10.2	47.7	59.3	168.0
1945 July	14.6	39.2	20.6	68.5	86.4	252.1
1946 April	13.2	40.6	20.4	71.8	80.6	245.5
May	13.1	40.9	20.5	72.4	81.8	247.5
June	13.1	40.8	20.4	72.2	82.2	246.7
July	12.6	40.9	20.6	72.2	83.1	247.1
August	12.5	40.5	20.9	72.7	83.2	247.3
September	12.4	41.1	21.1	73.4	83.9	249.2
October	12.1	41.3	21.5	74.2	84.6	250.9
Change: July 1945						
to Oct. 1946	-2.5	+2.1	+0.9	+5.7	-1.8	-1.2
July 1939						
to Oct. 1946	+6.8	+8.8	+11.3	+26.5	+25.3	+62.9
(+) denotes increase (-) denotes decrease.						

The number of women employed in metal-working factories has declined from 21,300 at the end of the war to 13,700 in October; this is mainly due to a reduction of about 6,000 in female employment in Government munitions and aircraft-factories. During October textile and clothing factories and other groups show some increases in the number of females employed but the small gains in female factory employment which have been recorded since the beginning of year are not sufficient to overcome the shortage of factory staffs.

FEMALE WAGE AND SALARY EARNERS IN FACTORIES, NEW SOUTH WALES.

(in thousands)

At end of -	1939 July	1945 June	1946- July	August	September	October
Bricks, cement, glass etc.	.5	.8	0.6	0.6	0.6	0.7
Chemicals, paints, oils etc.	2.7	4.0	4.5	4.5	4.6	4.6
Metal Trades incl. vehicles	4.8	21.3	14.1	13.7	13.8	13.7
Textiles	9.2	11.5	10.6	10.6	10.7	10.9
Clothing	22.2	25.9	29.8	30.2	30.6	30.9
Food, drink & tobacco .	9.3	11.2	10.3	10.3	10.1	10.1
Sawmills, woodworking, furniture	1.6	1.6	1.7	1.7	1.7	1.8
Printing, paper etc.	5.4	5.7	6.2	6.2	6.3	6.4
Other factories, including heat, light & power	3.6	4.9	5.3	5.4	5.5	5.5
<u>Total factories</u>	<u>59.3</u>	<u>86.9</u>	<u>83.1</u>	<u>83.2</u>	<u>83.9</u>	<u>84.6</u>

WAGES AND SALARIES (NEW SOUTH WALES). The total amount of wages and salaries paid to civilians in New South Wales remained fairly steady around £4,750,000 per week from the middle of 1943 to the early part of 1946. In June quarter 1946 it rose to £5,300,000 per week. This rise has been wholly due to increased employment consequent on demobilisation. Average weekly earnings (per male unit) have fluctuated seasonally around £6-15s. per week. Over this period the basic wage (adult males Sydney) fluctuated only slightly from £4-18s. to £4-19s. per week. The average weekly earnings referred to include overtime, loadings, bonuses and piece work earnings, and is related to male units derived by adding to total male employment 45% of total female employment.

INDUSTRIAL DISPUTES (NEW SOUTH WALES). In October 1946 workers in industry (other than coal mining) lost 105,000 man days through industrial disputes, those affected being mainly wharf labourers and tram and bus employees (one day). This was equal to about $\frac{1}{2}$ of 1 per cent of the man days worked by employees other than in coal mining.

In coal mines less than 17,000 men are employed but the time lost

by industrial disputes in coal mines in October was 34,000 man days or about 9 per cent of possible man working days. Comparisons are:-

NEW SOUTH WALES - INDUSTRIAL DISPUTES - MAN DAYS LOST

Monthly Average	Coal Mining	Other Employment	Total
Thousand man days lost			
1937-39	39	14	53
1945	57	103	160
1946-March Q..	20	23	43
June Qr.	26	33	59
Sept.Q..	35	12	47
October	34	105	139

COAL PRODUCTION (NEW SOUTH WALES). Output for the first ten months of 1946 was 9,300,000 tons compared with 9,000,000 tons in the same period of 1945. Approximately one half of this increase is due to rising output in open cut mines.

Weekly average production compares as follows:-

COAL PRODUCTION - AVERAGE PER WEEK
Thousand tons

	1945	1946
March Qtr.	198	194
June Qtr.	206	200
Sept. Qtr.	250	226
Dec. Qtr.	138(a)	254 (October)

(a) affected by a general stoppage.

IRON AND STEEL AND GAS AND ELECTRICITY (NEW SOUTH WALES). Production of iron, steel, gas and electricity are among the main uses of coal.

Comparative trends are as follow:-

	Index of Production		Index of Consumption of Gas and Electricity Sydney(b)
	Pig Iron(a)	Ingot Steel	
Average 1937-39	100	100	100
Year 1938-39	112	103	104
1946- July	123	116	159
August	113	112	158
September	116	117	167
October	114	117	177

(a) N.S.W. and Whyalla. (b) Seasonally adjusted.

Despite the heavy lag in maintenance of iron and steel structures and equipment during the war and the expansion in construction programmes, output of iron and steel is little above its pre-war level. In contrast, consumption (virtually equal to effective output) of gas and electricity, which are main sources of industrial power (as well as of domestic light and heat), have increased by approximately 77 per cent.

MOTOR VEHICLES REGISTERED (NEW SOUTH WALES).

CARS: The number of new motor cars registered each month has risen from 80 in April 1946 to 626 in October and is now approximately 36 per cent of average monthly registrations of new cars (1,719) recorded for 1938-39. In addition, however, approximately 1,100 old cars (including ex-service vehicles) were re-registered in October for civilian use. During the month the number of civilian cars on the road showed a net increase of approximately 1,000. Total civilian cars on the road at the end of October was 193,400 compared with 216,600 in August 1939.

LORRIES AND UTILITIES. Registrations of new motor lorries have averaged about 480 per month since April 1946 compared with a monthly average of 660 in 1938-39. 509 new lorries were registered in October 1946 in addition to approximately 1,890 old lorries (including ex-service vehicles) re-registered for civilian use. The number of civilian lorries on the road was 77,700 at the outbreak of war (August 1939); 84,200 at the end of the war (August 1945) and 103,600 in October 1946.

CONSUMPTION OF MOTOR SPIRIT (NEW SOUTH WALES). Civilian consumption of motor spirit has risen by 90 per cent since the end of the war and consumption by the services has fallen by over 80 per cent. Total consumption in the New South Wales pool area was approximately 50 per cent greater in October 1946 than at the end of the war. Comparisons are -

MOTOR SPIRIT SALES - NEW SOUTH WALES POOL AREA.

Monthly Average	Services	Other	Civil	Total
	Government			
	Thousand gallons			
1945-September Qr.	1,552	413	5,380	7,345
1946-September Qr.	398	515	9,388	10,301
October	275	555	10,178	11,008

NEW SOUTH WALES GOVERNMENT TRAMS AND BUSES. The number of passenger journeys on Government trams and buses in Sydney and Newcastle for the September quarter 1946 were about the same as in the comparative period of last year. The increase in gross earnings was exceeded by the rise in working expenses leaving a deficit of about £18,000 on working account to which must be added depreciation and debt charges. These last two items totalled £863,000 for the year 1945-46 which closed with a net deficit of £379,000 for the tram and bus services. The budget anticipates a deficit of £508,000 for 1946-47

NEW SOUTH WALES GOVERNMENT TRAMS AND BUSES - SYDNEY AND NEWCASTLE

Year	Year ended June				September Quarter		
	Passenger Journeys(a)	Gross Earnings	Working Expenses(b)	Net Earnings(c)	Passenger Journeys(a)	Gross Earnings	Working Expenses(b)
	millions	£ thous.	£ thous.	£ thous.	millions	£ thous.	£ thous.
1939	378	4,374	3,702	672	90	1,060	924
1945	546	5,790	5,348	442	136	1,445	1,418
1946	543	5,936	5,826	110	137	1,510	1,529

(a) Excluding Sydney Harbour Bridge passengers.

(b) Excluding depreciation.

(c) Gross earnings less working expenses, available to meet debt charges.

PART II FINANCE AND TRADE

NINE TRADING BANKS, AUSTRALIA.

The steady increase in the trading banks' advances to customers continued in October. This item is now £43 millions higher than in October last year though it remains well below the pre-war level. Customers' deposits were £2 million higher than in the previous month and Special deposits with the Commonwealth Bank increased by £1 million. Since August of this year the Commonwealth Bank has not demanded the maximum deposits on Special Account allowable under the Act.

During the six months ended October, 1946 the trading banks have increased their advances by £32 millions and customers' deposits fell by £12 millions. To finance these outgoings Government securities were reduced by £15 millions, Treasury Bills by £38 millions, and the Special Account by £5 millions. With new loan funds becoming available the Government has been retiring Treasury bills. The trading banks reserves of cash and Treasury bills are low and their further lending capacity will depend on the flowing back of deposits or funds being made available by the Commonwealth Bank releasing part of the Special Accounts.

NINE TRADING BANKS BUSINESS WITHIN AUSTRALIA.

Date	£ millions						Ratios		
							Advances to Deposits	Cash & Treasury Bills to Deposits	Special Account to Deposits
	Deposits at credit of Custom-ers	Advances to Custom-ers	Gov't & Municip-al Sec-urities	Special A/c.with Common-wealth Bank	Treas-ury Bills	Cash	per cent	per cent	per cent
Oct. 1939	321	297	22	-	20	34	93	17	-
" 1945	585	209	110	225	60	40	36	17	38
July 1946	613	236	117	256	21	32	39	9	42
Aug. 1946	616	238	113	252	23	37	39	10	41
Sept. 1946	622	244	110	251	27	37	39	10	40
Oct. 1946	624	252	107	252	24	36	41	9	40

DEPOSITS AND ADVANCES, NEW SOUTH WALES AND AUSTRALIA

In the September Quarter 1939, 37 per cent of the trading banks' total deposits in Australia were lodged in New South Wales and 42 per cent of their advances lent to New South Wales customers.

Before the war advances in New South Wales usually exceeded deposits; funds from other States were used to help financing New South Wales industries. During and since the war New South Wales shared in the rise of deposits increasing its share of the Australian total to 39 per cent. Trading bank advances now have a much smaller share in the banks' total assets than before the war. Of total advances in Australia only 40 per cent are now being lent to New South Wales customers while Victoria, Queensland and Western Australia have increased their share of the total.

NINE TRADING BANKS, NEW SOUTH WALES AND AUSTRALIA

		£ millions			
		Deposits		Advances	
		N.S.W.	Total Australia	N.S.W.	Total Australia
September Quarter					
	1939	115	315	123	294
"	" 1943	172	463	94	245
"	" 1945	220	574	86	211
July	1946	232	613	95	236
August	"	236	616	95	238
September	"	239	622	97	243
October	"	241	624	101	252

AUSTRALIAN BALANCES ABROAD.

Australia's gold and foreign exchange reserves which were greatly augmented throughout the war are being further strengthened by increasing export returns. Figures for all banks are published only at yearly intervals but Commonwealth Bank figures representing over 90 per cent of the total show the high rate of increase during the current year.

GOLD AND BALANCES HELD ABROAD
ALL AUSTRALIAN BANKS - COMMONWEALTH BANK

<u>£A millions</u>	1939	1942	1945	1946				
	June	June	June	June	July	August	Sept.	Oct.
Commonwealth Bank			199	202	204	212	215	221
All Banks	56	69	208	215	x	x	x	x

x not available.

In 1945-46 a £34.3 million Australian loan in London was redeemed and replaced by an issue in Australia and £74 million of other London loans were converted to lower interest rates, resulting in an annual reduction of about £3.7 million in sterling commitments. Conversion of dollar loans in August 1946 saved £0.11 million dollar exchange with a further £0.15 million if loan conversions planned for next month will be successful. These repayments and conversions will therefore result in a substantial saving on the foreign debt service. With wool and other exports increasing, further additions to the foreign exchange reserves can be expected but part of that will be absorbed by the mounting costs of imports. It must also be considered that Australia's London funds are not freely disposable because the liquidation of the accumulated war-time reserves will depend on the agreement with the United Kingdom with regard to these balances.

Great Britain has decided to continue foreign exchange control.

SAVINGS BANK. During the six war years July 1939 to July 1945 Savings Bank Deposits rose from £88 million to £201 million, an increase of £113 million. During the first post-war year to July 1946 they increased to £237 million or by a further £36 million (largely owing to banking of deferred pay during the active period of demobilisation.) With demobilisation approaching completion withdrawals exceeded deposits in the months of August, September and October 1946 and deposits have declined by £2.5 million. The change in trends since July is shown below:-

SAVINGS BANK, NEW SOUTH WALES.
(£ million)

	DEPOSITS LODGED DURING MONTH	WITHDRAWALS MADE DURING MONTH	NET INCREASE(+) OR DECREASE (-) IN SAVINGS	TOTAL CUSTOMERS' DEPOSITS
1946				
January	19.0	13.9	+ 5.1	224.7
February	17.8	13.8	+ 4.0	228.7
March	17.2	15.5	+ 1.7	230.4
April	15.3	14.8	+ 0.5	230.9
May	16.6	15.3	+ 1.3	232.2
June	14.6	14.2	+ 0.4	232.6
Add Interest			+(3.6)	236.2
July	16.6	15.5	+ 1.1	237.3
August	14.5	14.8	- 0.3	237.0
September	13.1	14.3	- 1.2	235.8
October	14.1	15.1	- 1.0	234.8

COMMONWEALTH ACCOUNTS (JULY-SEPTEMBER 1946). Sales tax and revenue from customs and excise continued to show substantial increases in October. Income tax collections July-October were £7 million lower than last year due to reductions in rates in January and September, 1946 and to the lag in assessments. The rise in the number of wage earners since last year partly outweighed these factors.

COMMONWEALTH GOVERNMENT ACCOUNTS
(£ millions)

REVENUE

Four months ended October

EXPENDITURE

Four months ended October

	1945	1946		1945	1946
Customs & Excise	23.1	32.5	Defence and War (II)	152.0	81.4
Income Tax	63.5	56.1	Social Services	16.1	19.9
Sales Tax	10.2	14.2	Payments to States	5.2	7.8
Payroll Tax	3.8	4.4	Tax reimbursed to States	5.2	10.5
Other Taxes	4.0	4.2	Post Office	6.3	6.8
Total Taxes	104.6	111.4	Other	15.0	20.0
Post Office	9.5	9.8	Total (Excl. Defence & War(II))	47.8	65.0
Other	2.5	2.7	Total Expenditure	199.8	146.4
Total Revenue	116.6	123.9			

Total revenue receipts in the four months July-October 1946 were £7.3 million greater than in the corresponding period of 1945. Ordinary expenditure also increased by £17.2 million and at £65 million for the four months was approximately one half of the revenue collected. Expenditure on defence and war II was £81.4 million July-October 1946 compared with £152 million in the corresponding four months of 1945.

COMMONWEALTH BUDGET 1946-47.

Despite reductions in rates of tax total Commonwealth revenue is estimated to be approximately the same in 1946-47 (£385 million) as in 1945-46 (£389 million).

Expenditure to meet war costs must still be met in part from loans but the amount so financed has been heavily decreased from £153 million in 1945-46 to an estimated £58½ million in 1946-47.

Expenditure from revenue on Defence and War is estimated to be £62½ million lower in 1946-47 (£162½ million) than in 1945-46 (£225 million). Total civil expenditure of the Commonwealth is expected to rise by an almost equal amount (£58½ million) i.e. from £164 million in 1945-46 to £222½ million in 1946-47. Of this increase approximately £9 million represents larger payments to States; £17½ million increased social service payments and approximately £32 million other increases in Commonwealth expenditure from revenue.

During 1946-47 total Commonwealth expenditure from loans is expected to be approximately £103½ million, viz £58½ million costs of defence and war, and £45 million for Commonwealth and States Works and Housing programmes.

COMMONWEALTH BUDGET.
(£ millions)

REVENUEEXPENDITURE

	Actual 1945-46	Estimate 1946-47		Actual 1945-46	Estimate 1946-47
Income Tax: Individuals	139.3	91.0	Defence & War (II)	378	221
Companies	55.3	50.0	Less amount paid from loan fund	153	58.5
Social Service Contrib.	20.0	51.0	Defence & War Expend. from Revenue	225	162.5
Total	214.6	202.0	Social Services	46.5	64.0
Customs & Excise	78.0	89.0	Payments to States	49.6	58.5
Sales Tax	33.6	31.0	Other Expenditure	67.9	100.0
Payroll Tax	11.5	13.0	Total Civil Expenditure	164.0	222.5
Other Revenue	51.3	50.0	Expenditure from Revenue	389	385
Total Revenue	389	385			

The gross expenditure on defence and the 1939-45 war (direct and indirect) was £452 millions in 1945-46 and is estimated at £278 millions for 1946-47. Miscellaneous credits of £74 millions in 1945-46 and £57 millions in 1946-47 reduce the net defence and post-war charges to £221 millions in 1946-47 compared with £378 millions in 1945-46, a net decrease of £157 millions. Direct defence and war costs will fall from £348 millions in 1945-46 to £147 millions in 1946-47. Commitments for debt charges, re-establishment and U.N.R.R.A. will increase substantially as shown over page:-

DEFENCE AND WAR (II)Actual 1945-46Estimate 1946-47£ millions

Charges on War <u>II</u> Debt (a)	41	46
Re-establishment and Repatriation	14	35
U.N.R.R.A.	6	15
Subsidies: Price Stabilization	13	16
Primary Production	20	7
Miscellaneous	10	12
Total of above items	104	131
Direct Defence and War <u>II</u> Costs	348	147
Gross Total	452	278
Less miscellaneous credits (b)	74	57
Net Total	378	221

(a) includes borrowings connected with the 1939-45 War and repatriation.

(b) disposals of surplus goods, recoups from other governments and services.

Direct price stabilisation subsidies are estimated to increase from £13 millions to £15.8 millions; they include provision for £1.5 millions for equating the home-consumption price of wool. Substantial falls in subsidies on dairy products and stock fodder reduce these indirect subsidies from £19.8 millions in 1945-46 to a total of £7.3 millions in 1946-47.

NEW SOUTH WALES GOVERNMENT ACCOUNTS.

Income tax reimbursements totalling

£4.4 million were received during the four months ended

30th October 1946 as against £1.9 million for the same period of last year.

Other State revenue remains at or above last year's figures. Of the business undertakings only the Port of Sydney showed lower receipts. Revenue expenditure was £2 millions higher than last year. Works expenditure from loan funds for the four months totalled £1.6 millions.

NEW SOUTH WALES GOVERNMENT.(£ millions)

<u>REVENUE</u>			<u>EXPENDITURE</u>		
<u>Four months ended October</u>			<u>Four months ended October</u>		
	<u>1945</u>	<u>1946</u>		<u>1945</u>	<u>1946</u>
From Commonwealth ^x	2.9	5.7	Net Debt Charges	4.8	4.6
State taxation	2.2	2.4	Governmental	6.6	7.9
Other Governmental	2.0	2.4	Business Undertakings ^{xx}	10.0	10.9
Business Undertakings ^{xx}	12.7	12.8	Total Expenditure	21.4	23.4
Total Revenue	19.8	23.3			
			Net Deficit	-1.6	-0.1

x Reimbursement of taxes, payments towards interests and hospital benefits.

xx Railways, trams and buses, Maritime Services. Excludes debt charges.

NEW SOUTH WALES BUDGET 1946-47.

The State budget for the current year shows a surplus of £15,000 as against an actual surplus of £370,000 for 1945-46. Since 1941-42 the accounts have closed every year with a surplus. The 1946-47 budget provides for higher expenditure for various branches of social services. The education vote has been increased from £7.2 millions in 1945-46 (actual) to £8.6 millions in 1946-47, as against £5 millions in 1937-38; provision is made for more teachers, higher salaries of teachers, expansion of technical education and other improvements in conjunction with a £2 million loan programme for new school buildings. Appropriations for child welfare, health and police have been increased substantially. The State Government will bear part of the costs of the new coal control machinery and is also engaged in opening up new mines. A Rural electrification scheme, participation in the Commonwealth migration scheme and assistance to secondary industries are also provided for in the budget. The activities of the Housing Commission which is financed through Commonwealth loans do not enter the State budget.

NEW SOUTH WALES BUDGET

(& millions)

REVENUE			EXPENDITURE		
	Actual 1945-46	Estimate 1946-47		Actual 1945-46	Estimate 1946-47
From Commonwealth:					
Tax Reimbursements	15.6	16.5	Ordinary Depts.	24.9	28.0
Debt Charge Contrib.	2.9	2.9	Interest, Exchange &		
Hospital Benefits	-	1.3	Sinking Fund	15.5	15.0
State Taxation	6.6	7.0	Business Undertakings x	31.9	31.8
Other items	7.5	7.3		72.3	74.8
	32.6	35.0	Surplus	0.4	
Business Undertakings	40.1	39.8			
	72.7	74.8		72.7	74.8

x excluding Interest, Exchange & Sinking Fund.

The increased expenditure will be financed by a rise of about £1 million in the Commonwealth Tax Reimbursement grant and by higher revenue from State taxation. Payments received under the Hospital Benefits Act will amount to £1.27 million for subsidies to hospitals and £0.15 million for capital expenditure.

After meeting capital charges the railways are expected to yield a surplus of £0.16 million as against £0.15 million in 1945-46. With a decline in shipping and additional expenses for deferred maintenance the surplus from the Maritime Services Board is estimated to decline by £123,000 to £106,000. The deficit of the tram and bus services for 1946-47 is estimated at £0.5 million.

SYDNEY STOCK EXCHANGE. After a temporary increase in turnovers during September the stock exchange was quiet in October. A fall in the manufacturing and "34 active shares" indices reflects a decline in prices of some leading shares. Prices for shares in several large companies are now quoted below ceiling price limits but remain firm at their new levels. Quotations for most of the smaller industrial companies remain at ceiling prices with few sales being recorded for them.

On the 20th November, 1946 it was announced that interest for the next issue of long-term Government securities was being reduced to $\frac{3}{2}\frac{1}{2}$ per cent as against $\frac{3}{5}$ for previous loans. This is expected to lead to a price increase in current bond issues and to bring their yields down to the new level.

INDEX OF SHARE PRICES - SYDNEY

Prices of Ordinary Shares (excl. Bank). Par value = 100.

(Compiled by N.S.W. Govt. Statistician).

Average for Month	Manufacturing and Distributing	Retail	Public Utilities	Pastoral and Finance	Insurance	Total 75 Companies	34 Active Shares
1939-Aug.	212.6	168.2	156.0	118.2	263.9	174.4	181.9
1942-Mar.	173.0	138.3	120.8	110.3	213.7	140.6	147.0
1945-Aug.	242.3	207.3	170.3	146.8	264.6	195.6	209.9
1946-May	280.5	239.5	191.1	162.8	306.9	222.8	241.2
June	280.5	239.4	190.9	161.0	306.9	222.3	240.8
July	280.5	239.5	190.5	161.6	306.9	222.3	240.6
August	285.7	244.6	193.6	165.1	312.2	226.2	244.5
Sept.	290.5	250.1	196.2	163.7	322.5	229.9	247.1
Oct.	289.0	251.9	196.4	159.4	322.5	229.3	245.6

REAL ESTATE. Sales of properties as shown by transfer documents amounted to £5.8 millions in October or £0.6 million below the September figure but well above turnovers of earlier months in the year. For the ten months ended October 1946 sales were about a third higher than for the comparative period of 1938.

& millions	TEN MONTHS ENDED OCTOBER			1946		
	1938	1945	1946	August	September	October
REAL ESTATE SALES	32.0	23.0	41.4	5.7	6.4	5.8
MORTGAGES REGISTERED	22.1	7.8	16.5	2.4	2.3	2.2

PART III: RURAL INDUSTRIES

THE SEASON: During October rains were substabtially below normal throughout the State.

Rainfall in September and October slightly improved crop prospects in the North and West but this has been more than offset by the deterioration of wheat crops in the Southern and South-Eastern parts of the State. Earlier, the crops in these districts had shown good promise but the continued dry weather in the Spring has greatly reduced the prospective yield, Some crops in the Western Riverina are now total failures.

RAINFALL INDEX, NEW SOUTH WALES.

Weighted average ratio of actual to normal rainfall.

Normal rainfall each month = 100

Period	Dairying Districts	Sheep Districts					Wheat Districts			
		N.	C.	S.	W.	State	N.	C.	S.	State
1944 (year)	79	66	54	53	53	57	68	51	52	53
1945 (year)	109	99	101	86	77	93	95	100	84	89
1946 Jan.	77	153	100	166	236	151	130	110	184	158
Feb.	140	95	129	327	228	195	49	153	363	269
Mar.	160	66	76	105	43	79	48	76	113	95
Apr.	152	66	90	61	14	65	60	78	48	57
May	18	39	40	53	24	42	37	35	49	43
June	44	23	38	75	64	49	33	38	59	50
July	2	17	38	109	34	55	20	42	114	84
Aug.	16	2	13	60	8	25	1	14	60	41
Sept.	88	203	68	15	156	99	160	47	10	39
Oct.	85	34	63	51	17	46	24	61	46	17

N: Northern, C: Central, S: Southern, W: Western.

WOOL: The third series of the Sydney wool sales ended in October and the fourth series (delayed for a time by an industrial dispute) took place in November. During those two months sales were also held in Newcastle and Goulburn. The total value of wool sold in New South Wales was £2.9 millions in September and £2.2 millions in October. The market continued very firm with keen competition among overseas buyers in particular for the finer varieties while the demand for inferior grades was not always so well sustained. The present level of wool prices (23d. per lb. greasy) is approximately double the low level of 1938 and 1939 and about 50 per cent above the war-time price-

AVERAGE PRICE PER LB. FOR GREASY WOOL, REALISED AT SYDNEY

Year ended 31st June							
1928	1931	1938	1939	1940	1941	1942	1943 to 1946
19.5d	8.7d	12.7d	10.3d	13.4d ^x	13.1d ^x	13.1d ^x	15.1d ^x

Monthly average 1946

September	October	November
20.5d ^{xx}	21.5d ^{xx}	23d ^{xx}

x on basis of British Government contract

xx average rate that would be realised if whole clip were sold at price levels of that month.

French and Belgian buyers continued to dominate the market. These countries are not only replenishing their own stocks for current demands; they are also buying on behalf of other European countries. Apart from that, France seems to try to use sterling balances to buy stocks of commodities in preference to keeping reserves in currency. The United States are now bidding more strongly at Australian sales in particular for superfine grades. Sharp price rises in the United States have put Australian wool prices on a competitive level and American sheep farmers are demanding tariff protection.

MOVEMENT OF WOOL STOCKS, SYDNEY, 1946-47 CLIP
in 000 bales

<u>July-October 1946</u>		
<u>Received into Store</u>	<u>Sold</u>	<u>Balance in Store</u>
553	190	363

Between July and October about 553,000 bales of this seasons clip were received into Sydney stores, as against 494,000 bales for the same period last year. Sales this year totalled 190,000 bales in Sydney. Total wool exports from Sydney during the same period were 681,000 bales which were drawn mostly from accumulated stocks of wool appraised before sales began.

Clearances at wool sales in the Commonwealth for the four months ended 30th October 1946 totalled 548,000 bales valued at £15.3 million

High prices of wool and the reduction in the flocks have kept sheep prices in New South Wales and Queensland at a high level in spite of forced sales of drought sheep. Sheep flocks have not only declined in Australia in recent years but also in the United States, the United Kingdom, continental Europe and Russia with consequent effects on world wool supplies.

Combing machinery in the British zone of Germany is being restored and in September a first shipment of 27,000 bales of New Zealand wool from British stocks was despatched to Germany.

Efforts are being made to put textile machinery in Japan back into working order. Silk exports from Japan have already been resumed.

WHEAT. The export price for Australian wheat advanced to a new record level during October, viz 11/9 contrasting with the very low level of 2/6 per bushel in 1939. A further increase was announced at the end of November.

After exporting large quantities to South-Eastern Asia earlier in the year the Wheat Board has no stocks of unsold wheat and only small stocks of flour available at present.

WHEAT EXPORT PRICES, AUSTRALIA

1928	1939	1940	1944	1945	1946				
				January	January	July	August	September	October
5/1	2/6	4/-	5/4	6/5	9/8	10/6	11/2	11/2	11/9

(1928 and 1939 figures "Shippers' Limits f.o.r. ports"; since then Mean of Australian Wheat Board's basic export price for bulk and bagged wheat reduced to f.o.r. ports).

It was announced in November that the New South Wales Government will provide £50,000 for drought relief advances to wheat growers in the 1947 sowing season. A rate of 1½% interest will be charged on these advances.

Of the major wheat producers in the world Canada, the United States and the Argentine expect substantial increases in their 1946 crops as compared with last year. The United States crop is estimated at 1,170 million bushels - slightly above last season's record figure. Canada expects 440 million bushels as against 306 million bushels in 1945, and the Argentine crop may exceed 200 million bushels. The Australian wheat crop is expected to be little if at all above last year's yield. In Europe, the Mediterranean countries experienced a good harvest, but rain in England and drought in Russia affected crops adversely in these countries. The demand for wheat is likely to remain high in the coming year; the "Corn Trade News" estimated it some months ago as over 500 million bushels for Europe and 300 million bushels for Asia for 1946-47. Following the increased exports since the end of the war the carry-overs in the producing countries are very low. - this applies particularly to Australia - so that the increased world supplies will be fully needed to replenish stocks and meet export demands.

DAIRYING. Some dairying districts profited by rainfalls in October but the soil remains too dry for satisfactory pasture growth and more rain is needed. Butter and cheese production showed some seasonal improvement though it remains in many parts of the State at only half of last year's level. Cattle are being hand fed in Northern districts but fodder is in short supply.

NEW SOUTH WALES, PRODUCTION OF BUTTER IN FACTORIES.
(in thousand of tons)

Average three years ended 1939-	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total Four Months</u>
1940	2.4	2.4	2.9	3.8	11.5
Year 1945	1.5	1.8	2.2	3.4	8.9
1946	1.2	1.2	1.5	2.0	5.9

NEW SOUTH WALES, PRODUCTION OF CHEESE
(in tons)

Average three years ended 1939-	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>Total Four Months</u>
1940	15	16	20	30	81
Year 1945	7	11	20	28	66
1946	8	11	12	17	48

Good rainfalls were recorded in the Southern and Western portions of the milk-zone, but pastures remain short. Metropolitan milk supplies were well maintained and actually exceeded requirements.

SYDNEY MILK SUPPLY (WHOLE MILK)
(million gallons)

Four-weekly periods

<u>1945</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>1946</u>	<u>September</u>	<u>October</u>	<u>November</u>
	<u>3.14</u>	<u>3.27</u>	<u>3.42</u>		<u>3.44</u>	<u>3.49</u>	<u>3.56</u>